

M.J. "MIKE" FOSTER, JR. GOVERNOR

JACK C. CALDWELL SECRETARY

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

DEPARTMENT OF NATURAL RESOURCES OFFICE OF CONSERVATION

June 10, 2003

Anthony S. Carollo Jr., REP TONY CAROLLO CONSULTING GEOLOGIST 1701 Peach Street Metairie, LA 70001

RE:

EMERGENCY REQUEST OF June 4, 2003

SAND(s):

4650 SAND, RESERVOIR A

FIELD:

HALF MOON LAKE FIELD

PARISH:

St. Bernard Parish, Louisiana

APPLICANT:

SOURCE PETROLEUM, INC.

Dear Mr. Carollo:

Because of the reason set forth in your emergency request letter, it has been determined that undue hardship would be caused by the 20-day delay prescribed in Rule 3 of the Revised Rules of Procedure, effective October 11, 1983. You are therefore permitted to immediately file your application in compliance with Rule 8 of the Revised Rules of Proced

Yours truly,

JAMES H. WELSH COMMISSIONER OF CONSERVATION

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TONY CAROLLO

CONSULTING GEOLOGIST

1701 PEACH STREET Metairie, Louisiana 70001

(O) (F) (504) 885-0004 to

tcarollo@bellsouth.net

June 4, 2003

Honorable James H. Welsh Commissioner of Conservation P. O. Box 94275, Capitol Station Baton Rouge, Louisiana 70804-9275

Re:

4650 Sand, Res. A

Source Petroleum, Inc. Half Moon Lake Field

St. Bernard Parish, Louisiana

Dear Sir,

Application is hereby made on behalf of Source Petroleum, Inc. to the Commissioner of Conservation for the calling of a public hearing after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the 4650 Sand, Reservoir A, in the Half Moon Lake Field, St. Bernard Parish, Louisiana, to wit:

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the above sand and reservoir in the Half Moon Lake Field, St. Bernard Parish, Louisiana.
- 2. To create a drilling and production unit for the sand and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created on a surface acreage basis of participation.
 - 3. To designate a unit operator and a unit well for the unit so created.
- 4. To provide that any future replacement and/or alternate unit well for the unit so created be exempt from the well location provisions of Statewide Order No. 29-E.
- 5. To provide that the Commissioner of Conservation may reclassify the unit so created, by Supplemental Order and without the necessity of a public hearing should such a reclassification be warranted based on evidence furnished to the Commissioner.

All pertinent data relating to the subject application for the above sand can be purchased AT THE COST OF THE REQUESTING PARTY from Mr. Tony Carollo (504) 885-0004.

The Commissioner of Conservation has waived the 20 day pre-application notice in connection with this application, and a conference to discuss the proposed unit and the basis thereof is hereby scheduled for Tuesday, June 17th at 10:30 a.m at the Holiday Inn Motel located at 3400 I-10 & Causeway Blvd. South, Metairie, Louisiana, (504) 833-8201.

There is no requirement for persons receiving this notice to attend or be represented at this conference. This is merely an invitation to all known Interested Parties to attend the conference should they so desire.

There is attached hereto and made a part hereof, a plat outlining the proposed unit. A copy of this application is being sent to all Parties that are named on the List of Interested Parties, Interested Owners and Represented Parties. The List is available upon request to any Interested Party. A reasonable effort was made to ascertain the names and addresses of all such Parties as required by the Rules of Procedure.

There is attached hereto a check in the sum of seven hundred and fifty-five dollars (\$755.00) made payable to the Office of Conservation, representing the required hearing application fee on behalf of Source Petroleum, Inc.

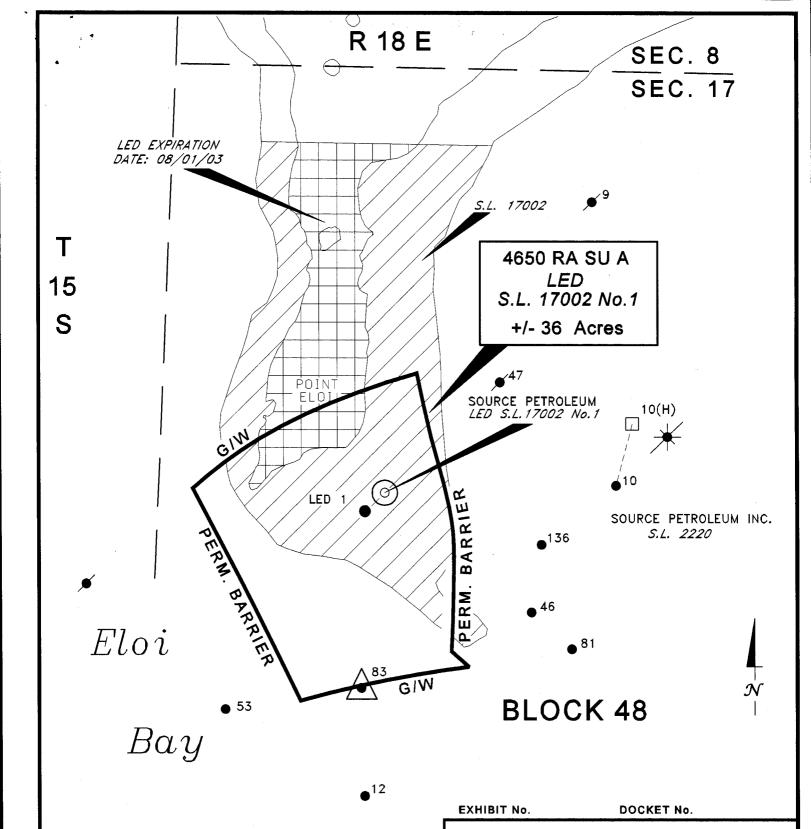
Very truly yours,

Anthony S. Carollo, Jr.

Tong Carollo

Enclosures

cc: Mr. Richard Hudson Office of Conservation P.O. Box 51285 Lafayette, LA 70505



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Re:

4650 Sand, Reservoir A

Source Petroleum, Inc. Half Moon Lake Field

St. Bernard Parish, Louisiana

Dear Sir,

Source Petroleum, Inc. is proposing to drill the Lake Eugenie Land & Development Co. State Lease 17002 No. 1 in an area claimed by both Lake Eugenie Land & Development Co. and the state of Louisiana under State Lease 17002 as shown on the attached plat. The Lake Eugenie Land & Development Co. property appears to have been severely eroded back from the State Lease 2220 boundary, allowing the formation of State Lease 17002. The Lake Eugenie Land & Development Co. lease will expire on August 1, 2003, and therefore, it is respectfully requested that a waiver of the pre-application notice under Rule 8 of the Rules of Procedure and permission to file an application immediately, be granted to Source Petroleum, Inc. Such permission if granted will prevent the undue hardship of that lease expiring prior to the formation of the proposed unit should the State Lease 17002 be determined to be the superior lease at a later date.

If any additional information regarding this matter is needed, please advise.

Sincerely,

Anthony S. Carollo, Jr.